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August 24, 2001

To: Community Based Alternatives (CBA)
Assisted Living/Residential Care (AL/RC) Providers

Subject: Long Term Care (LTC)
Information Letter No. 01-12
CBA Rate Changes

The Texas Health and Human Services Commission (HHSC) approved rate changes for CBA AL/RC providers effective September 1, 2001. The new rates are included on the attached Reimbursement Rate chart which should be substituted for the 2600 section of the CBA Provider Manual until a manual revision is distributed.

All claims for services delivered on or after September 1, 2001, will be processed using the new payment rates. Claims submitted by the provider for any services delivered on or after September 1, 2001, should be prepared using the new rates.

In order to comply with the General Appropriations Act, House Bill 1 of the 76th Legislature, the Texas Department of Human Services (DHS) and the Texas Health and Human Services Commission implemented the Attendant Compensation Rate Enhancement effective September 1, 2001, to incentivize contracted providers to increase wages and benefits for community care attendants. The agency rules for the Attendant Compensation Rate Enhancement can be found at Title 1 of the Texas Administrative Code (TAC) §355.112. The General Appropriations Act, House 1 of the 76th Legislature increased funding for attendant wages so that additional levels of enhanced rates could be offered to contracted providers who chose to participate in the Attendant Compensation Rate Enhancement. Contracted providers who choose to participate must submit spending reports and must meet the spending requirements for the attendant compensation rate component or unspent revenues below the spending requirement will be recouped by DHS. Contracted providers who choose not to participate in the Attendant Compensation Rate Enhancement will not receive the enhanced attendant rates and the attendant compensation rate component will remain constant over time, except for adjustments necessitated by increased in the federal minimum wage.

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During the open enrollment in July 2001 contracted providers were offered the opportunity to enroll as participants and to select the enhanced rate level at which they desired to participate. Fifteen enhanced rate levels were offered for selection; however, the actual rate level awarded is contingent on available funding. Providers participating in the Attendant Compensation Rate Enhancement may access the Rate Analysis Department website at www.dhs.state.tx.us/programs/rad/index.html to confirm the level of enhancement awarded and to verify their reimbursement rates.

Please contact Alisa Jacquet, at 512/438-4952, if you have any questions about the Attendant Compensation Rate Enhancement. Please contact your contract manager if you have any questions about this information letter.

Sincerely,

signature on file

Becky Beechinor
Assistant Deputy Commissioner
Long Term Care Services

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